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**An Evaluation of the Influence of Media Activities on Multinational Corporations in
Kenya**

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International Studies**

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DECLARATION

I Abigael Chelimo Sum hereby declare that this research project is my original work and it hasn't been presented in any other University for a degree.

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This research project has been submitted for examination with my approval as the University supervisor.

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DEDICATION

I dedicate this research to my family, friends and colleagues for their forbearance, backing and reassurance throughout this research project.

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First, I give thanks to the Almighty God for His grace and for enabling me to complete both my course work and the research paper successfully.

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ABSTRACT

Despite of the many research conducted on media effects, there has been little efforts with regards to the effects of media on Multinational Corporation (MNCs). This study attempts to understand the effect media has on international businesses specifically MNCs. The research seeks to determine the extent to which media attention influences, contribute to and or shapes the activities of various MNCs in Kenya such as financing, investments, marketing strategy and companies' Corporate social Responsibility. It also evaluates the role of media in holding MNCs to account and in promoting good business practice among MNCs. This study is anchored on the Media Effects Theory and it draws from framing effects, priming and agenda-setting theories. The study used the mixed method approach, specifically the Survey Research Design, and was conducted in Nairobi, Kenya's capital, which hosts the headquarters of most MNCs. The project gathered data from several multinational companies drawn from various sectors including finance and banking, telecommunications, consumer goods, motor vehicle industry, food and beverage among others. The researched revealed that MNCs use the media as a source of information on the policies that affect them in one way or another, to gauge what the competition is doing as well as the political climate. Thus, media coverage affects decision-making in a corporation. The research also found out that news coverage has more impact on the image of the company compared to adverts as audiences tend to believe news articles more than adverts. However, the study shows that journalists rarely keep corporations and their executives accountable with lack of enough data being cited as one of the reasons. This is mainly because there are very few listed MNCs which makes it hard for journalists as they do not get the information/ data they would need to hold companies and their executives to account. The research concludes that media significantly affects activities of MNCs as the operating environment of MNC is largely informed or reliant on local media content. This study recommends future studies on the subject using a higher sample size to increase credibility and reliability of the data obtained herein. Further to that and noting that this study proves that media coverage influences MNC activities, therefore, there is need to investigate how media coverage impacts these companies. In this era of digital revolution and the rise of audience shift from traditional to social media platforms, there is need to interrogate the effects of social media on MNCs. It also calls upon corporations to have robust policies to guide them when to respond to media scrutiny, who should respond and how they should respond. Additionally, they should proactively map out issues likely to affect them, rank them according to severity and prepare potential responses to help spokespeople and senior management prepare for such cases.

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ABBREVIATIONS AND ACRONYMS

CSR	Corporate Social Responsibility
BBC	British Broadcasting Corporation
EAC	East Africa Community
EABL	East Africa Breweries Limited
FDIs	Foreign Direct Investments
FTA	Free To Air
GDP	Gross Domestic Product
GJN	Global Justice Now
KCB	Kenya Commercial Bank
KBC	Kenya Broadcasting Corporation
MNCs	Multinational Corporations
MNEs	Multinational Enterprises
NACOSTI	National Commission for Science, Technology and Innovation
NMG	Nation Media Group
TNCs	Transnational Corporations
UNCTAD	United Nations Conference on Trade and Development (UNCTAD)
UK	United Kingdom

1.0. CHAPTER ONE

1.1. Introduction

The media and Multinational Corporations (MNCs) enjoy a symbiotic relationship. For MNCs, media furnishes a platform to interface with, draw in clients, and simultaneously build their image.

Positive press is typically in every case useful for organizations as it enhances their businesses and lifts their profile and on the other hand, negative press hurts the image of the business.

Media acts as an accelerant; it challenges and hinders certain activities relating to MNCs. It is also an independent actor and an apparatus tool in the hands of policymakers and scribes.

Media alludes to the means for mass correspondence, and more specifically, a means to communicated to the general public. This can be through print, radio, television, film and recorded music by way of cable, satellite, circles and tapes.

Media's fundamental roles include agenda- setting, providing information, acting as a public watchdog, an avenue for mobilization and legitimization. Regardless of the well-known roles of the media, it is essential to note media have their own self-interests- that they have set out to accomplish- and often, this may compromise objective media coverage.

There is no universal definition of MNCs, however these are corporations with operations in at least two nations. These organizations are profit driven. According to Dunning 'MNCs are enterprises that participate in Foreign Direct Investment (FDI) and have authority over value-addition activities in at least two countries.'¹ As determined by Modelski, MNCs are "a system of undertakings that have control over activities and resources in at least two states."²

¹John H. Dunning, *Multinational Enterprises and the Global Economy* (Cheltenham Press, U.S. 1992).

² George Modelski, *Transnational Corporations and World Order* (University of Chicago Press, U.S., 1979).

There are times when MNCs are conversely alluded to as a Multinational Enterprises (MNEs), or Transnational Companies (TNCs). They are an important actor in the international business as they connect developed, developing and least developed economies through FDIs, innovation, skilled labour and in other numerous ways.

1.2. Background to the Study

Most products in our markets are supplied by MNCs. These include food, mobile phones, vehicles, medicines among different items. MNCs have a vital role in the international framework and it the biggest most powerful international, self-regulating market actor.

MNCs generate significant jobs, venture and tax revenues for the host nation and consequently they have noteworthy power because of the assets they control. They are a force to reckon with. They shape and impact political, economic and social spaces in practically equal measure. Despite the fact that they enjoy a reciprocal relationship with the State and the media, they have compelling control over both.³

For their own advantage, MNCs extort and play-off governments against one another. They additionally, control the media and yet still utilize them as a conveyor belt to reach consumers. It is a platform for aggressive marketing and advertising.

MNCs need media in order to propel their philosophies, seek support from governments and different organizations as well as shape their brand positioning. Even though diplomacy is significant in this century, it is not clear how MNCs practice it.

People around the globe become more acquainted with MNCs and their activities through the eyes of the media; through pictures, in texts, sound bites, actions of publicists and filmmakers. MNCs use media to not just convey information on their operations and display their capabilities but also to legitimize their essence in host nations.

³ Gary Tounge, Who's in Control- nation States or global Corporation? www.guardian.com, retrieved June 25, 2019.

Advancement in communication technology and increasing use of various communication channels has influenced how MNCs conduct business. The rapid development in Information and Communication Technologies, the ability to broadcast live and Internet development, prompted globalisation of electronic media and improved communication to audiences around the world.⁴

As a result of advancement in technology, media can now cover every corner of the earth and audiences can accordingly get information distinctively and fast. Also, it is possible to capture any occurrence on camera, and circulated far and wide at the same time via global media and the Internet almost immediately. With this worldwide reach, media has some form of influence than can either break or make MNCs.

Over the years media has had a significant impact on different actors in the international system including the state. MNCs are no different. Media can take various forms, and this is especially so through development of innovation in this space. It is as a catalyst that alters the environment in which international actors relate. This study focuses on media effects on international organisations specifically MNCs in Kenya.

Most if not all MNCs have a media or communications department which essentially sets up and maintains cordial relations as well as an understanding between the organisation, the government and the general population in the host nation through regular interface with reporters across the different media platforms either through television, radio, print and social media.

⁴ Gao; Ingram; Kee, eds., *Global Media and Public Diplomacy in Sino-Western Relations* (Routledge, 2016).

1.3. Statement of the Problem

The media continues to have a great influence on issues such as politics, violence, children and education among other key areas globally and at country level. The phenomena of effect of media is not going away anytime soon but rather it continues to evolve.

Despite of the many research conducted on media effects, there has been little efforts with regards to effect of media on MNCs.

This study attempts to understand the effects of media in international businesses specifically MNCs and whether media attention contribute to and or shapes the activities of various MNCs including investments and financing, production and distribution, marketing strategies and CSR among others.

1.4. Research Questions

- i. To what extent does media activities influence MNCs in Kenya?
- ii. Does media hold corporations and their executives accountable?
- iii. Is media effective in promoting good business practice among MNCs in Kenya?

1.5. Research objectives

The main aim of this research is to interrogate the effects of media activities on MNCs in Kenya.

1.5.1. Specific Research Objectives

- i. To determine the extent to which media activities influence MNCs in Kenya.
- ii. To evaluate the role of media in holding MNCs to account.
- iii. To examine media's role in promoting good business practice among MNCs.

1.6. Literature Review

MNCs are business ventures with operations in more than one nation. The operations more often overseen by the parent company in the country of origin. It fundamentally oversees production and/or delivers services in at least two countries.

Root describes an MNC as the parent organisation engaging in production with its partners and affiliates in several nation states; practices direct authority over its affiliates; and executes production, advertising, finance and staffing plans that go beyond national borders. MNCs are now and then alluded to as Multinational Enterprises (MNEs) or Transnational Corporations (TNCs).

Be that as it may, an MNC must meet certain criteria including but not limited to a vast amount of assets, exceptionally high turnover, consistent growth, network of branches and affiliates, highly skilled manpower, advanced and sophisticated technology among others.

There are three kinds of MNCs; the market seekers, raw material seekers and cost maximisers.

Raw material seekers are those organisations whose principle agenda for entry into a country is to exploit the available resources including oil and minerals among other resources. In Kenya, London-based Tullow Oil PLC is one such company. Market seekers are companies whose fundamental objective is to expand their reach by selling their products and services in foreign countries while cost maximisers are firms whose key purpose is to remain cost competitive by seeking out and putting in lower-cost production locales overseas for example in China, Malaysia and Taiwan among other countries.

Further, MNCs are divided in four classifications; a decentralised corporation with strong presence in the home country; a centralised corporation that is cost-effective by using centralised production cheaper resources are available; an organisation that builds on the parent company's technology, Research and Development; and a venture which combines all the mentioned characteristics. Bartlett and Ghoshal emphasise that a transnational goes beyond the decentralised and the centralised companies.

1.6.1. Theoretical Literature

McQuail bases the study of mass communication on the idea that media have extensive effects.⁵

There are various theories that provide a better comprehension on media effects on MNCs activities.

Media apply a wide scope of influence on corporations. Potter notes that when characterizing media impacts, there are eight key issues that spring up. These are timing (instant vs. long term), the level of effect (micro vs. macro), valence (negative or positive), duration (momentary vs. lasting), change (distinction vs. no distinction), direct (or indirect), intention (or non-intention), and manifestation (observable vs. latent).⁶

Mass media is viewed as a valuable source of information in most countries, Kenya included. It shapes public opinion and attitudes.

There have been a few studies since the early 1920 on the impacts of media by different researchers including Katz (1980), Roberts and Bachen (1981), Wartella (1991), McQuail (1987) as well as critiques such as Rowland (1983), Freedman (1984), McGuire (1986), Cumberbatch (1989a) and numerous others.

Media Effects Theory is one of the principle communication theories which comprises of a few hypotheses that elucidate media's influence on attitudes and audience perception.

McQuail isolates the historical backdrop of media effects into four phases. The history Media effects dates back to 1920s. Harold Lasswell is credited for the initial phase of media effects contending that the minority used propaganda to control people. McQuail then built up an advanced scientific approach in communication theory resulting in research that critiqued Lasswell's presumptions. It was characterised by personal influence⁷ which was strengthened

⁵ McQuail Denis, *Mass Communication Theory: An Introduction* (3rd Ed), (Sage, London, 1994).

⁶ Potter James W, *Media Effects*, (SAGE Publications, University of California, Santa Barbara, USA 2012).

⁷ Katz & Lazarsfeld, *Person Influence: The Part Played by People in the Flow of Mass Communication* (Glencoe, IL: Fress Press, 1955).

by Klapper in 1960 taking note that media effects didn't directly influence biases but rather merely supported existing ones.⁸

After World War II, broadcast media and specifically, television, was on the rise. This phase was significant as it broke the 'no effect' myth of media effect. Scholars such as Noelle-Neumann revived the idea of powerful mass media which led to studies focusing on long-lasting effects, social norms and behaviours. During 1990s, another model of media effect emerged; the constructivist approach⁹ which stresses that the public have control in deciding whether to adopt the media's world view.

However, it is important to note that scholars, specifically contemporary ones, continue to propel different models of media effects. Others like Lang and Lang contend for cumulative effects rather than the phased model. Perse rather propounds a model dependent on direct, conditional, cumulative, and cognitive transactional models of media effects theory.

The most recent theories on media effects are agenda-setting, priming and framing which are applicable to this study. These theories expound on how news stories are chosen, packaged and presented and how stories affect people's opinions about the issues presented. It additionally explains that if a news item is given prominence and is frequently given coverage, the public generally accept that it is significant.

1.6.1.1. Agenda Setting Theory

This theory was developed in 1972 by Maxwell McCombs and Donald Shaw In 1972, and at the time it was commonly used to refer to politicians' use of media at the 1968 U.S. presidential elections to control voters. Ridout and Mellen opine explains that media through the news can decide what the public can talk and think about. Media can influence the weight and ability

⁸ Klapper T., *The Effects of Mass Communication* (New York, U.S.: Free Press, 1960).

⁹ McQuaill D., *McQuail's Theory of Mass Communication*, (Sage Publications, London, 2010).

placed on certain matters of national interest. Even though this explanation is in relation to politics, the same case applies to MNCs.

In Agenda setting, the media basically reveals issues viewed as important in public opinion. This implies that media determines what issues and news stories to be discussed. Thus, if it isn't referenced in the media, it doesn't exist in the mind of the public.¹⁰ These agenda can range from liberal perspectives to capitalist views.

A genuine case of the Agenda Setting theory is the widespread antismoking stance. Before media campaign against smoking, smoking was considered a personal health issue but after the media publicity, smoking was made a public health issue and thus the widespread snit-smoking stance.¹¹

1.6.1.2. Framing Theory

This theory is progressed by Entman. In this theory, he propounds that framing includes choosing facets of what is perceived to be true and making it conspicuous in this case media.¹² As indicated by Shaw and McCombs, framing is a concept where consideration is given to some elements of information while obscuring other elements. Borah calls to attention the fact that the interdisciplinary characteristic of framing has resulted in a wide-range of meanings and the use of various methods.¹³ Sorting out a concept to give sense of an event that is happening how Modigliani and Gamson characterised framing. Tuchman had similar views, propounding that framing is the concept of transforming meaningless and often unrecognisable happening into an obvious one.¹⁴

¹⁰ Hanson Ralph, *Mass Communication: Living in a Media World* (Washington DC: CQ Press, 2009).

¹¹ Dearing W. James & Rodgers M. Everett, *Communication Concepts 6: Agenda Setting* (Sage Publications Inc., 1996).

¹² Entman R. M., *Framing: Towards Clarification of a Fractured Paradigm* (*Journal of Communication*, 43(4), 1993) pp. 51-58.

¹³ Borah P., *Conceptual Issues in Framing: A Systematic Examination of a Decade's Literature* (*Journal of Communication*, 61(2), 2011) pp. 246-263.

¹⁴ Scheufele A. Dietram, *Framing as a Theory of Media Effects* (*Journal of Communication* vol. 49(1), 1999), pp.103-122.

1.6.1.3. Priming Theory

This is a notion about the media effect where an audience's decision making is dependent on human memory. It suggests that when one hears, sees or reads about something, it triggers other comparable thoughts which then favours perception.¹⁵

This idea was promulgated in 1982 by Iyengar, Peters and Kinder. It explains the cognitive psychological process where certain media images trigger human memory which in turn influences the viewers in various ways including change the manner in which individuals carries themselves, acts, judges and decides. It is believed that constant and aggressive reporting of events makes them recognizable to audiences and thus affects the audience's perception from a historical point of view. Domke et al contend that media is crucial to creating a platform for discussing and determining issues through framing of news.¹⁶

1.6.2. Empirical literature

1.6.2.1. Emergence of MNCs

The historical backdrop of MNCs is connected intimately with the history of imperialism and also the genesis of global trade among different communities across frontiers for instance city-states in Greece, administrative units in Rome among others.

Between the 13th and 18th centuries, the government was exclusively engaged in various types of endeavours beyond their borders either directly or indirectly. Nevertheless, there was a need to grow economic prosperity and consequently the desire to foster trade and financial activities to, capture additional territories and new avenues of wealth as well as the need to realise opportunities to use their domestic savings.¹⁷

¹⁵ Jo E. & Berkowitz L., A priming Effects Analysis of Media Influences: An Update, In J. Bryant & D. Zillmann (Eds), LEA's Communication Series, Media Effects: Advances in Theory and Research, (Hillsdale, NJ, U.S.: Lawrence Erlbaum Associates, Inc., 1994)

¹⁶ Domke D., McCoy K. & Torres M., News Media, Racial Perceptions and Political Cognition (Communication Research, 1999).

¹⁷ Dunning John H., Multinational Enterprises and the Global Economy (Cheltenham Press, 1992).

Dunning gives a few cases in Europe of trading companies that set-up operations centres and had affiliates and subsidiaries in various cities around Europe in early Middle Ages. Some of the initial activities of international business, according to Douglass North, can be traced back to Commenda which controlled caravan and maritime trade in Medieval Europe.¹⁸

In the Commenda strategy, the key investors entrusted their cash-flow to an agent who then traded with that capital, gave back the investor the principle amount and a share of profits generated thereof. The rest of the profits would be the agent's as a reward for the work done. In any case, they had no obligation for the losses resulting from the necessities of travelling via the ocean or from a failed business venture.¹⁹

In 1407, Merchant Adventurers was incorporated as a trading company. It was a supreme conglomerate of UK companies created to encourage growth marketing outlets for its affiliates.²⁰ The company flourished and expanded to several cities and ultimately give monopoly in West Germany and Netherlands in 1560.

By the end of the 14th Century, there were more than 150 multinational Italian banking companies.

The first FDI activities can be traced back to the 16th and 17th centuries as communication and trans-border interactions had greatly improved. The foundation of the modern MNC lies in the East and West Indies merchants at the time.

The first MNC was the Dutch East India Company, established on March 20, 1602. It was also the first company to issue stocks and remained a significant international business for nearly two hundred years.

¹⁸ Dunning John H., *Multinational Enterprises and the Global Economy* (Cheltenham Press, 1992).

¹⁹ D.S. Richards, 'Commercial Techniques in Early Medieval Islamic Trade' (ed.), *Islam and The Trade of Asia: A Colloquium* (Oxford: Bruno Cassierer & Philadelphia: University of Pennsylvania Press, 1970).

²⁰ Dunning John H., *Multinational Enterprises and the Global Economy* (Cheltenham Press, 1992).

The British East India Company changed from a business enterprise to an organization that essentially governed India as it took over supporting government and military functions, until its disintegration in 1858.

It is important to note that the interaction of MNCs with other institutions such as the State, media and Non-Governmental Organisations leads to either positive or negative impacts which spills over. Meyer reiterates that MNCs are the central focus in mainstream banter on the positive and negative effects of globalisation, particularly to emerging and developing economies.

Rugman classifies MNCs depending on a company's definite benefits and the preferences of terrestrial reach.²¹ Further, most of the world's 500 major MNCs are either regional or bi-regional characterised by a strong presence in the home country.

Table 1: The top 20 world largest MNCs

Rank	Company	Revenue (M US Dollars)	Home Country
1	Walmart	500, 343	United States
2	State Grid	348, 903	China
3	Sinopec Group	326, 953	China
4	China National Petroleum	326, 008	China
5	Royal Dutch Shell	311, 870	Netherlands
6	Toyota Motor	265, 172	Japan
7	Volkswagen	260, 028	Germany
8	BP	244, 582	United Kingdom
9	Exxon Mobil	244, 363	United States
10	Berkshire Hathaway	242, 137	United States

²¹ Rugman M., *The Regional Multinational: MNEs and Global Strategic Management* (Cambridge University Press, 2005).

11	Apple	229, 234	United States
12	Samsung Electronics	211, 940	South Korea
13	McKesson	208, 357	United States
14	Glencore	205, 476	Switzerland
15	United Health Group	201, 159	United States
16	Daimler	185, 235	Germany
17	CVS Health	184, 765	United States
18	Amazon.com	177, 866	United States
19	Exor Group	161, 677	Italy
20	AT & T	160, 546	United States

Source: Fortune Global 500 <http://fortune.com/global500/list/>

1.6.2.2. Economic Benefits of MNCs

MNCs are a powerful force in the international system as they play a major role in the world economy. They have had reciprocal influences on states and have in one way or another led to development both economically and socially. Overtime, however, innovation in technology, transport and communication has had significant impact on international trade and has thus affected operations of MNCs.

As indicated by Fortune Magazine, the world's 500 biggest organisations in 2017 produced \$30 trillion in incomes and profits amounting to \$1.9 trillion.

MNCs have a significant impact on international trade, FDI and capital flows in countries where they have presence. They are said to create wealth, create employment, technology and knowledge transfer, wealth creation, drive economic growth among other benefits in countries they operate.

In countries where they operate, MNCs are a key incentive to economic growth. Inadequate sums of foreign and savings are compensated using inward FDI which provides for external financing. According to UNCTAD, FDI inflows expanded from \$205 to \$1,921 billion between 1990 and 2015.

MNCs play a significant role in employment creation. Recent data from Fortune, for the fiscal years ended on or before March 31, 2018, indicates that, about 67.7 million people were employed by Fortune Global 500 companies.

Kaburu points out that MNCs have a responsibility to ensure that majority of their labour supply is from the host country and in turn this will add value to all relevant stakeholders²². According to Reid, at any given host country, they lead to 65 per cent of the non-governmental workforce available²³. Mulwa points out that FDIs through setting up of an MNC are essential in the fight against poverty.²⁴ However, there have been instances where MNCs have been questioned for paying very low wages and mistreating workers. But scholars like Kitche argue that despite the low wages, most people in developing countries find it is desirable to work as a subsistence farmer with a lower salary to not having a job at all.²⁵ On the other hand, they are said to improve employment standards by paying preferable wages over most local firms.

MNCs are also known to bring in new technology to the host country and new techniques. Such then finds its way into the domestic market and thus benefiting the host country through a process referred to as technology transfer. Henry et al points out that technology transfer plays a very important role in productivity growth in developing countries.

MNCs are also known to build the export capacity of the host countries. This in turn helps countries harness the benefits of international trade. Between 1980s and 1990s, many

²² Kaburu, 2005

²³ Reid, 2001

²⁴ Mulwa, 2000

²⁵ Kitche, 2001

developing countries liberalized their FDI policies. Countries like Singapore tailored its industrial guidelines to entice MNCs and effectively capitalised on MNCs investments to complement home-grown industries and it has since grown into one of the Asian giants.

1.6.2.3. History of MNCs in Kenya

After World War II, MNCs penetrated the third world countries, Kenya included. MNCs set up base in Kenya as early as 1650 and currently, over 60 per cent of them are foreign-owned while the rest are locally-owned. Kenya has both home-grown and foreign MNCs. Currently, Kenya hosts more than 200 foreign MNCs with about 10 of them choosing the county's capital, Nairobi as their regional headquarters.

In Kenya, MNCs have invested in various sectors including manufacturing, agriculture, the service sector with investments in banking, hospitality among other areas.

The home-grown MNCs have expanded their operations beyond the Kenyan borders to the East Africa Community (EAC) in an effort of taking advantage of the growing EAC population of over 437 million based on the latest United Nations estimates.²⁶ Examples of these MNCs include Kenya Commercial Bank (KCB), Equity Bank, Britam Holdings, Nation Media Group, Bidco Oil Refineries, Brookside Dairy, Chandaria Enterprises and Athi River Mining among others.²⁷

The most popular foreign MNCs in Kenya include beverage and soft drink manufacturer Coca-Cola and Pepsi; motor vehicle dealers Toyota and General Electric; mobile phone service providers Safaricom and Bharti Airtel. Other foreign MNCs include Microsoft, IBM, Visa International, MasterCard, Google, KFC, Travelport, Dow Chemicals, Pricewaterhouse

²⁶ United Nations, Department of Economic and Social Affairs, Population Division, World Population Prospects 2019: Data Booklet (ST/ESA/SER.A/424), (2019).

²⁷ Muthiani A. W., Multinational Corporations in Kenya and application of the bottom of the pyramid proposition, Master's thesis, University of Nairobi, (2012).

Coopers, Pfizer, StanChart, Barclays, Nestle, International Finance Corporation, South African owned FirstRand Bank and many others.

Both foreign and home-grown MNCs in Kenya are among the top taxpayers in the country. They include British America Tobacco Kenya (BAT), Kenya Commercial Bank (KCB), Kenya Breweries, Equity Group, Standard Chartered Bank, Barclays, Safaricom among others.

During the colonial period, copra and sisal plantations were established by British companies and farmers along the coast and later coffee and tea.

Smith- Mackenzie Ltd was among the firms established in East Africa 1875. In 1936 it grew to Smith, MacKenzie and Company Limited and moved its East Africa headquarters to Mombasa.

The British American Tobacco (BAT), a UK-based company, regarded as the second largest tobacco conglomerate in the world, set up operations in Kenya (Mombasa) in 1907. British-American Investment Company (Kenya) Limited (BRITAM), entered the Kenyan market in 1965. It has since expanded its regional presence. Beverage company Coca-Cola started operations in Nairobi in 1948.

One of Kenya's own multinationals The Kenya Commercial Bank (KCB) traces its roots back to 1896. Its forerunner was the Mombasa-based National Bank of India. The Kenyan government eventually acquired it wholly in 1970 and renamed it the Kenya Commercial Bank (KCB). The bank crossed borders and began its multinational business in 1997 when it opened a branch in Tanzania. Today, the bank has stamped its presence in the East Africa Region with several branches in six countries including Uganda, Rwanda, Burundi and South Sudan.

Another Kenyan MNC, Kenol Kobil Limited was established in 1959. It has since grown to a Pan-African oil company with operations spanning seven countries across Eastern, Central and Southern Africa.

Equity Bank is also another MNC whose history dates back to 1984 and today boasts of subsidiaries in Uganda, South Sudan, Rwanda and Tanzania.

The East Africa Breweries is also another multinational whose home country is Kenya. It dates back to 1922 following a merger between the Kenya Breweries Limited and the Tnaganyika Breweries Limited forming what is now known as EABL. EABL currently boasts of subsidiaries across the East Africa. They are Kenya Breweries, Uganda Breweries, Serengeti Breweries, Central Glass Industries, United Distiller Vantor and the East African Breweries International.

According to a thesis, *Multinational Corporations in Kenya and application of the bottom of the pyramid proposition*, submitted by Agnes Muthiani to the University of Nairobi in 2012, there are 226 MNCs in Kenya.

1.6.2.4. Media and MNCs

Lux et al. argues that firm size is an influential factor in becoming politically active as a firm, we expect that large MNCs are more likely to engage more with media than small MNCs.

Engagements with media are an essential component of MNCs. Over the years, it is evident that the survival and success of MNCs depends on the media attention it receives and effective communication.²⁸ More often than not, international organisations use media to advance international governance. Media has the power to scrutinise actions and activities of MNCs as well as in some ways impact their operations.

The relationship between media and international organisations including MNCs led to the establishment of international journalists' associations in the late 19th and early 20th centuries cementing their status in the global arena.

²⁸ Brendebach Jonas, Herzer Martin & Tworek Heidi (eds.), *International Organizations and the Media in the Nineteenth and Twentieth Centuries: Exorbitant Expectations* (Routledge, 2018) pp. 256.

International media histories have placed more emphasis on the advancement in technology in mass media as opposed to any other areas of media. There is also the relationship between media and foreign policies of various states and or the role of foreign correspondents.

Media in this study refers to mass communication which are varied and include newspapers, magazines, television, radio, agencies, film, cinema and photography.

Revolution in communication technologies in the 20th century resulted in the 24-hour news stations such as the Cable News Network (CNN), The British Broadcasting Corporation (BBC), Al Jazeera among others as well the introduction of live coverage of events and the Internet.

Today, MNCs use the media and more so, news coverage, to explain their goals to both domestic and foreign audiences while at the same time seeking support for their activities. The newspaper in many countries stands out as an instrument of elite opinion.²⁹

The power and impact of media can be explained better using the CNN and the Al Jazeera Effects. The CNN Effect explains the impact of mainstream media on foreign policy making. In the early 1990s, global media such as CNN played a critical role on humanitarian intervention in disaster and war-torn nations like Iraq (1991), Somalia (1992-1993) and Bosnia (1995). The first UN-legitimated humanitarian intervention resulted from the media attention on the Kurdish crisis in Iraq. This led to the establishment of safe-havens protecting the Kurds from attacks by Saddam Hussein's forces.³⁰ As a result of news of the devastating starvation in Somalia during the civil war, the then U.S. President George Bush deployed 28,000 soldiers to support the aid workers already on the ground. On the other hand, the Al-Jazeera Effect is a new model developed at the turn of the century. It describes the impact of new media on the

²⁹ Cohen B. C., *The Press and Foreign Policy* (New Jersey: Princeton University Press, 1963).

³⁰ Shaw M., *Civil Society and Media in Global Crises* (London: St. Martin's Press, 1996).

global society. It expounds on the impact of the Internet and networked information technologies on issues such as global politics as well as democratization and terrorism.³¹

U.S. President Woodrow Wilson believed media assumed a vital role in international relations and the international system. In 1944, Dell G. Hitchner, an American political scientist, concluded that an international organisation's main force is publicity.

He further explains that one of the lesson from the failed League of Nation was that it spent very little on publicity- about three per cent of its 1936 budget- noting that the League might well have spent ten times that amount to achieve its objectives.³² This shows that activities for an international organisation can mainly achieve public support through media and publicity.³³

People around the world got to know about MNCs from the early 19th century until around 1990s largely through media coverage.³⁴ The Central Commission for the Navigation of the Rhine (CCNR) dated in 1815 relied on newspapers and printing to convey its mandate and communicate its regulations along a river.

By mid- 19th century, as the number of international organisations grew so did mass media following inventions like the telegraph and the steam-powered printing press. As a result, mass media and news agencies enabled coordination across borders and stimulated the creation of more international and transnational institutions. This led to the first wave of globalisation in that era.

Bednar et al reiterates that the power of the media easily influences the perception of most companies. It shapes images of companies and it is also a tool to generate public support for their activities in both their headquarters and host countries through public opinion has seen

³¹ Seib Philip, *The Al Jazeera Effect: How the New Global Media are Reshaping World Politics* (Potomac Books, 2008).

³² Dell G. Hitchner, *The Failure of the League: Lessons in Public Relations*, (The Public Opinion Quarterly Vol. 8(1), 1944).

³³ Dave Birkland, *Dell Hitchner (77)*, Retired UW Political Science Professor, (The Seattle Times, 1992)

³⁴ Brendebach Jonas, Herzer Martin & Tworek Heidi (eds.), *International Organizations and the Media in the Nineteenth and Twentieth Centuries: Exorbitant Expectations* (Routledge, 2018).

companies becoming more and more proactive in communicating their actions to global audiences.

Bednar cites two ways in which media plays its role with regards to companies. It disseminates information and acts as an evaluator for firm, its actions and executives.³⁵ Business news is a key source of information for firms, market actors such as investors and consumers.

Media can have an effect on a company by reporting about the actions of the firms, on selected corporate events and investigative reporting as well as acting as a voice for external parties to raise their concerns and push change.

Shining light on activities of MNCs amplifies firms and boosts their profile. More so, positive press coverage. On the other hand, negative press may trigger strategic change in organizations. A good example is the Enron scandal in 2001 that was exposed by Fortune reporter Bethany McLean which eventually led to the fall of Enron Corporation with many of its executives being charged for insider trading, securities fraud, and conspiracy. This proves that press coverage prompts firms' reactions and holds leaders accountable.

The nature and the volume of coverage a firm receives leads to several consequences including financial performance, compensation arrangements, CEO dismissal among others.³⁶ Bednar notes that the real media attention that companies ignites activities focused on imminent negative coverage and increase the possibility of resulting positive coverage.³⁷ He however cautions executives of firms not to ignore negative press coverage when the company is performing well.

³⁵ Bednar Michael, *The Role of the Media in Corporate Governance* (Oxford Research Encyclopaedia of Business and Management, 2017).

³⁶ Bednar Michael, *The Role of the Media in Corporate Governance* (Oxford Research Encyclopaedia of Business and Management, 2017).

³⁷ Bednar M., *Watchdog or Lapdog? A Behavioural View of the Media as a Corporate Governance Mechanism* (Academy of Management Journal, vol.55(1), 2012).

Then again, Davison contends that while media might not influence the audiences it addresses, it could trigger reactions by invoking uninvolved “third persons” who believed in the power of the message.³⁸

1.7. Hypotheses

1. The media contributes to and shapes the activities of the different MNCs.
2. Media hold MNCs and their executives accountable for their actions.
3. Media has been able to promote good business practice among MNCs in Kenya.

1.8. Justification of the Study

1.8.1. Academic Justification

There exists plenty of literature on the role of media in various aspects international relations as well as the contribution of MNCs in the global economy and the influence it has on global political affairs and state affairs. Be that as it may, there is not much literature on the effects of media on businesses especially MNCs. However, there is very little literature on the effect of media and MNCs. Being cognisant of the fact that media and MNC play a critical role in the global arena, it would be interesting to expand knowledge on the influence media has on MNCs globally, continentally, regionally and also in Kenya.

1.8.2. Policy Justification

Policy makers in international business will use the study findings and recommendations as a benchmark in interrogating the effect of media in MNCs activities. It will help MNCs to design and re-design their policies to accommodate media’s role in shaping activities of MNCs. Such knowledge will help corporations in formulating a good media strategy to protect the organization’s reputation, navigate negative publicity and how and when to respond to media scrutiny.

³⁸ Philips Davison, The Third-Person Effect in Communication, (Public Opinion Quarterly vol. 47(1), 1983).

1.9. Theoretical Framework

This study is based on the Media Effects Theories. These theories expound how media impacts the attitude and the perception of audiences. It will draw from framing effects, priming and agenda-setting theories.

In agenda-setting theory, issues and stories that the general public ought to think and talk about are determined by the media. If a scandal breaks out about a firm that becomes what public thinks and talks about. Framing effect is a tactic used to create and dispense the direction in which the news should take.³⁹ Framing proposes how what is presented influences the choices audiences make. Priming, another theory of media effects where media selects which stories to cover and which one not to or which stories to give prominence and which ones not to. For example, an article on the front page of a newspaper is more likely to have an impact than an article or articles in subsequent pages.

1.10. Research methodology

This involves the research design, population, sampling techniques, data collection and the tools used and analysis.

The study used the mixed method approach and was conducted in Nairobi, Kenya's capital, which hosts the headquarters of most MNCs as well as mainstream media houses.

1.10.1. Research design

According to Kerlinger research design is an approach adopted for addressing the research questions and provides an outline for the research.⁴⁰

De Vaus points out that the purpose of the research design is to guarantee that the evidence obtained allows us to answer the initial question as unambiguously as would be prudent.

³⁹ Pan Z. & Kosicki G., Framing Analysis: An Approach to News Discourse (Political Communication vol. 10(1), 1993) pp. 55-75.

⁴⁰ Kerlinger F. N., Foundation of Behavioral Science (New York: Holt, Rinehart and Winston, 1973).

This study used a mixed method approach and specifically the Survey Research Design to show the relationship between media and MNCs in the country. Additionally, data was gathered using interviews or administering questionnaires to the sample population.⁴¹ The study employed questionnaires containing closed and open-ended questions to enable a collection of rich data.

1.10.2. Target population and sampling techniques

Mugenda and Mugenda define a research population as a complete arrangement individuals, cases or objects with some shared apparent qualities while the target population is the populace a researcher uses to simplify the results.⁴²

The research populace for this study consisted of MNCs from various sectors and mainstream media. Specifically, it constituted editors and journalists from selected media houses, communication specialists and public relations practitioners from selected MNCs in Kenya.

Mainstream media are relatively large media enterprises with a substantive following. Some refer to it as conventional newspapers and television stations and other news sources that are popular and regarded as reliable.

In Kenya, this include the national broadcaster, Kenya Broadcasting Corporation (KBC), The Standard Group PLC (The Standard, KTN News), Nation Media Group (NTV, Daily Nation, Business Daily), Royal Media Services (Citizen Tv) and Mediamax (K24 Tv, People Daily).

The population of MNCs in Kenya is over 200.

Kerlinger defines sampling as taking a bit of the populace as a representative of that population.

⁴¹ Orodho A. J., Essentials of Educational and Social Sciences Research Method (Nairobi: Masola Publishers, 2003).2003).

⁴² Mugenda A. G. & Mugenda O. M., Research Methods: Quantitative and Qualitative Approaches (Nairobi: Acts Press, 2003).

Random sampling was used to choose the population in this study since there is large number of MNCs in the country and an equally bigger number of media practitioners.

Since there is no established variability in the responses from the different MNCs and media practitioners, simple random sampling is to be used. The sample of the study will be 20 MNCs and 5 media practitioners.

1.10.3. Data collection

As mentioned, the questionnaire contained both open-ended and closed. The questionnaire was pre-tested on a smaller sample for correction and validation purposes after which it was administered to the populace by hand delivery and email.

1.10.4. Data analysis

To interpret the data collected both from the questionnaires, various methods of data analysis were employed.

Subjective opinions and viewpoint, which made up the qualitative data, were assimilated and categorized into themes in accordance with the objectives, which was then be presented in a descriptive or narrative format.

For the quantitative data, Statistical Package for Social Sciences (SPSS) version 22.0 and 2016 Microsoft excel were used to analyse and compile data and the results presented in form of pie charts and graphs.

1.10.5. Ethical considerations

Before consenting to participate, the respondents were made aware the research was only for academic purposes, participation was voluntary, and they were free to withdraw at any point. Their privacy and anonymity was guaranteed and a research permit from NACOSTI was obtained.

1.11. Scope and limitations

The study looks into the effects of media activities on MNCs in Kenya. It is limited to MNCs operating in Kenya specifically in Nairobi and journalists from mainstream media houses and media platforms associated with them. That is the KBC, The Standard Group PLC, Nation Media Group, Royal Media Services and Mediamax Limited.

There was reluctance from some of the respondents to provide the necessary information to the study citing restrictive company policy. Others claimed that because of the nature of their jobs, they were too busy to fill questionnaires. To counter the limitations, prior notice was given before distribution of questionnaires. Telephone interviews and electronic mail was also used to collect information in cases where some of the respondents may have busy schedules.

1.12. Chapter outline

This research has been presented in five chapters as indicated below:

Chapter 1: Introduction to the Study

Chapter 2: The Influence of Media activities on MNCs in Kenya

Chapter 3: Media as an evaluator of corporations and their executives.

Chapter 4: The role of media in promoting good business practices among MNCs in Kenya

Chapter 5: Summary, Conclusions and Recommendations

Reference list

The Appendix

2.0. CHAPTER TWO

THE INFLUENCE OF MEDIA ACTIVITIES ON MNCS IN KENYA

2.1. History of media in Kenya

Kenya boasts of a vibrant, relatively established media industry compared to her neighbours. Depictions by various authors including Abuoga and Mutere, Beachey and Loughran, indicate that media sector in Kenya is more than a century old.

It was introduced by missionaries, then came the Indians and later the colonial administration. Rev Albert Stegal of the Church Missionary Society started the first press, publishing the Taveta Chronicle in 1895.⁴³ Six years later, Asian trader Alibhai Mulla Jeevanjee setup *The East Africa Standard* in Mombasa.⁴⁴ However, it was not until the early 1920s that we had the first African owned press. A vibrant nationalist press emerged after World War II.⁴⁵ The Kenyan media was liberalised in 1997 and since then sector has grown exponentially.

Lamb calls to attention Kenya's media sector was perceived as being somewhat free, for its professionalism and diverse ownership.⁴⁶ A BBC World Service Trust policy briefing described Kenyan media as innovative, sophisticated, thriving and the most regarded media on the continent.

The annual Media Council of Kenya (MCK) Status of the Media Report for 2012 indicated that the country has six daily national newspapers and, at least, 11 weekly newspapers. At the time, there were more than 20 monthly magazines, as well as eight bi-monthly and six quarterly ones. Furthermore, MCK have a database of over 2000 registered journalists in the country.

⁴³ Oriare P., Orlale R., Ugungu, *The Media We Want: The Kenya Media Vulnerabilities Study*, (Nairobi: Friedrich Ebert Stiftung, 2009).

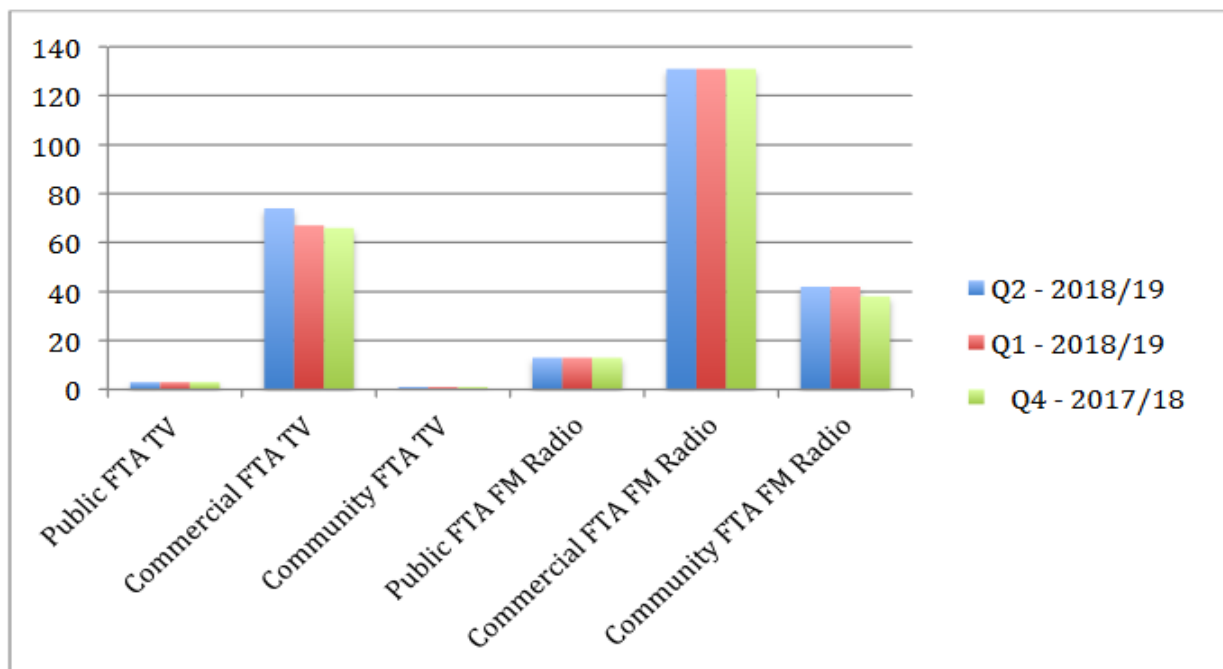
⁴⁴ Zarana, P. Alibhai Mulla Jeevanjee, (Kenya: East African Education Publishers, 2002).

⁴⁵ Ngugi Muiro, *From Fetters to Freedom* (in) *The Long Walk to Media Freedom* (Nairobi: MCK, 2012).

⁴⁶ Lamb David, *The Africans* (New York: Vintage, 1982).

The Communications Authority of Kenya (CAK) FY 2018/19 Quarter 2 Broadcasting Report shows there are 131 radio stations classified as commercial FTA radio, 74 Commercial FTA TV stations, 42 Community FTA Radios and 1 Community FTA TV station.

Figure 1: Comparison of on-air FTA broadcasting services for 2018/19 Q1 vs. Q2



Source: CAK- 2018/19 Quarter 2 (Oct.-Dec. 2018)

The credibility of Kenyan media is being eroded by the ascent of fake news, as per the 2019 Media Landscape Report. Media’s role in the country is to inform, educate and entertain. Research shows it is the most trusted source of information. It gives facts and opinions, which shape audience perception on certain issues as well as influence what they pay attention to. Therefore, being a powerful medium of communication, it is compelled to promote national cohesion and development.

2.2. Media Influence

Media is a powerful force that can easily change people's attitude, behaviour and perception. It assumes a critical role in corporate visibility. It influences public opinion and contributes to a firm's reputation.

Media effects alludes to ways in which people or community are influenced by what they read in newspapers, magazines, books and online; what they listen to on radio; or watch on television and online. Media effects can be intended or unintended by the message. In her book, *Open the Box: About Television*, reiterates that media has a role in defining what the audience considers the norm.⁴⁷

In the early 20th century, the rise of electronic media together concerns of political propaganda and manipulation⁴⁸ gave birth to the concept of *hypodermic needle* or *bullet* theories that delineated media content as powerful weapons and strong drugs.⁴⁹

However, research shows that children are more likely to be influenced by media than any other group.⁵⁰ It influences their beliefs, values and behaviours.⁵¹ It is however critical to note that media applies a wide range of influences. It can lead one to gain a behaviour or belief, it can trigger, alter or reinforce certain actions, beliefs or behaviours.

Media exerts both positive and negative effects on audiences. It creates awareness and educates on grounds of being a source of information. Furthermore, it triggers humanitarian action for instance the role it played in prompting humanitarian intervention in 1991 during the Iraq war, in Somalia (1992-1993). Negatively, for example, it has become a common believe that

⁴⁷ Root Jane, *Open the Box: About Television* (Comedia Publishing Group, 1986).

⁴⁸ Lasswell H. D., *Public Opinion* (New Brunswick NJ: Transaction Publishers, 1922).

⁴⁹ Lippmann W., *Public Opinion* (New Brunswick NJ: Transaction Publishers, 1922)

⁵⁰ Bryant J. & Thompson S., *Fundamentals of Media Effects*, 1st ed. (New York: McGraw-Hill Higher Education, 2002).

⁵¹ Huesmann L. Rowell, *The Impact of Electronic Media Violence: Scientific Theory and Research*, Institute for Social Research (Ann Arbor, Michigan: The University of Michigan, 2007).

exposure to media violence results in aggressive behaviour while sexual media content results in people indulging in risky sexual activities among others. The negative effects of media particularly violence and sexual content has been given far more attention by researchers than the positive impacts. Huesmann points out that frequent exposure to media violence increases the risk of violent behaviour on the part of that person who is watching/reading.⁵²

Advertising and public information campaigns rely on persuasion to influence audiences.⁵³ There are several models that enlightens this; the cognitive response theory where the audience must consider the message and his/her musings are a higher priority compared to the message: the elaboration probability model where messages are processed either consciously or subconsciously. Central processing requires more effort for the audience and has long-lasting effects, while peripheral processing involves little effort and has short-lived effects; and finally persuading people to adopt new ideas follows a pattern.

2.3. The Media's Influence on Multinational Corporations

Even though media effect theories suggest that media influences organisations, there is still inadequate data available on the same. However, corporation respond to differently to different types of media coverage.

Bednar indicates that organisations use media to shape their image as well as an instrument to create public support. In his 2013 research, he discovered that media coverage influences strategic change in organisations. The research found out that negative media coverage led to executives engaging in large-scale strategic change as well as other outcomes such as sacking

⁵² Huesmann L. Rowell, *The Impact of Electronic Media Violence: Scientific Theory and Research*, Institute for Social Research, (Ann Arbor, Michigan: The University of Michigan, 2007).

⁵³ Petty R. & Cacioppo J. T., *Attitudes and Persuasion: Classic and Contemporary Approaches* (Boulder: Westview Press, 1996).

and compensation of CEOs, financial performance and other related consequences.⁵⁴ A good example is Joe et al analysis of Business Week's "Worst Corporate Boards" list which prompted some companies changing their governance structures and practices.⁵⁵

The study identified three ways in which media impacts change among firms; giving an account of a company's actions thus shining light on specific issues; it acts as a voice for different stakeholders who can enact change; finally, through investigative reporting.

Be that as it may, not every negative coverage brings about changes in organisations. Since 2013, Apple has experienced harsh criticism over poor working conditions in its plants in China. This created and continue to generate negative media attention with the company being blamed for being in violations of issues surrounding compensation and hazardous material handling.⁵⁶ That notwithstanding, the multinational technology company continues to flourish and is among the most profitable companies globally.

News sources influence marketing performance of companies particularly sales. Be that as it may, there has not been broad research on how media exposure, specifically what is alluded to as free press or free advertising, impacts a firm's marketing performance.⁵⁷

Several studies show that the tone of the media content influences market results. Tetlock exhibits that media assumes a critical role in financial markets, as coverage on explicit firms have a noteworthy increase in trading activity. In his application of computerised content analysis of the text of new articles on the stock market, Tetlock pointed out that negative news

⁵⁴ Bednar M., Boivie S. & Prince R., Burr Under the Saddle: How Media Coverage Influences Strategic Change (Organization Science, 2013).

⁵⁵ Joe R., Louis H. & Robinson D., Managers' and Investors' Responses to Media Exposure of Board Ineffectiveness (Journal of Financial and Quantitative Analysis, 2009).

⁵⁶ www.appleinsider.com/articles/18/01/16/china-labor-watch-again-cites-apple-for-poor-chinese-factory-working-conditions

⁵⁷ Stephen Andrew & Galak Jeff, The Complementary Roles of Traditional and Social Media in Driving Marketing Performance (Faculty of Research: INSEAD 2009)

pieces in the Wall Street Journal translated to a dip in the stock market on the day it is published as well as leading to lower returns forecast the next day.⁵⁸ Nonetheless, the resultant influence of negative media coverage was just transitory as stock costs continued on the underlying prices inside seven days. Another analyst, Garcia, in his examination of published articles on the New York Times between 1905 and 2005, found that media sentiments was critical during the recession period.⁵⁹

Tetlock, Saar-Tsechansky, and Macscassy examination on the tone of newspaper articles showed that negative articles predicts negative information about a company paying little respect to an organisation's traditional measures of performance.⁶⁰ Then again, according to Fang and Peress, a firm's valuation increases due to investor awareness, which is resultant of news media coverage.⁶¹ As indicated by Engelberg and Parsons, the trading activity of an investor went up by 48 per cent if an earning of a firm was reported in a local newspaper.⁶² In their analysis of newspaper strikes, Peress et al outlined that strikes decrease daily trading volume by 14 per cent and return volatility by 9 per cent.⁶³

⁵⁸ Tetlock C. Paul, Giving Content to Investor Sentiment: The Role of Media in the Stock Market (Journal of Finance, vol.62(3), 2007).

⁵⁹ Garcia Diego, Sentiment during Recessions (The Journal of Finance, vol.68(3), 2013).

⁶⁰ Tetlock Paul, Saar-Tsechansky Maytal & Mackassy Sofus, More Than Words: Quantifying Language to Measure Firms' Fundamentals (The Journal of Finance, vol. 63(3), 2008).

⁶¹ Fang Lily H. & Peress Joel, Media Coverage and Cross-Section of Stock Returns (The Journal of Finance, vol. 64 (5), 2005).

⁶² Joseph E. Engelberg & Christopher A. Parsons, The Causal Impact of Media in Financial Markets (The Journal of Finance, vol. (66(1), 2011) pp. 67-97.

⁶³ Fang Lily H., Peress Joel & Lu Zheng, Does Media Coverage of Stocks Affect Mutual Funds' Trading and Performance) (The Review of Financial Studies, vol. 27(12), 2014) pp. 3441–3466.

3.0. CHAPTER THREE

MEDIA AS AN EVALUATOR OF CORPORATIONS AND THEIR EXECUTIVES

3.1. Media's watchdog role

“...people need to be fairly informed, to be able to make a right choice,” said Dr Shailendra Singh at the anti-corruption reporting workshop in Honiara, Solomon Islands in 2018.

Besides the well-known roles of the media; inform, educate and entertain, one of the key duties for journalist and media is to hold those in power and leadership to account. It is hence a direct result of its oversight role and the power it holds. That is why media is alluded to as the Fourth Estate.

It is implied that media's watchdog role is exceptionally important in keeping governments, legislators and organisations/corporations answerable to their actions. Journalists monitor, investigate and scrutinize policies and actions of all those stakeholders including MNCs.

The significance of media's watchdog role to society can't be overemphasised. It protects the society against the ills in both public and private sectors including exploitation, awful leadership among others.

Media's watchdog role is certainly not a new idea. It goes back to more than 200 years ago. It indoctrinates a culture of constructive criticism of government, corporates and organisations that apply significant influence in every circle of life.⁶⁴

Media affects a company's reputation and that of its executives both positively and negatively. This is presumably the reason behind Bednar's view of media an instrument for corporate governance. He attests that media's assessment of organisations and their leaders assumes a

⁶⁴ Coronel S., *Corruption and the Watchdog Role of the News Media (Public Sentinel: News Media and Governance Reform, 2010)*.

governance role through revealing a company's action through investigative reporting and being a voice for different stakeholders with the ability to bring about change.⁶⁵

Despite the fact that market progression and competition has supported the development of and furthermore sustained investigative journalism, market and political pressures make investigating journalism difficult if not impossible and hence press freedom and access to information are vital for the media to effectively play its watchdog role.

Research by BBC Media Action in 2012 demonstrated that Kenyans value and trust the media compared to other sources of information.⁶⁶ The research further demonstrates that the media assumes a key role in accountability- holding leaders to account and governance systems- particularly during the elections. It does this in two different ways; giving a stage to question leaders, government officials and even executives in the private sector; giving the audience the chance to get the answers and clarifications on choices made and actions of leaders, government officials and corporate executives.

3.2. The Role of Media in Corporate Governance

Bednar alludes to press coverage of listings of best and worst CEOs and also the media attention to CEO compensation which has gone up in recent years.⁶⁷

The media assumes its watchdog role by uncovering corporate fraud either by completing its own investigations or by utilizing published reports. All things considered, the media consideration given to corporate governance globally has gone up with media coverage of scandals such as Enron Corporation, an American energy, commodities, and services company,

⁶⁵ Bednar M. K., *The Role of Media in Corporate Governance* (Oxford Research Encyclopaedia of Business Management, 2017).

⁶⁶ www.bbc.co.uk/mediaction/publications-and-resources/research/summaries/africa/kenya/media-accountability

⁶⁷ Bednar M. K., *The Role of Media in Corporate Governance* (Oxford Research Encyclopaedia of Business Management, 2017).

the Italian dairy and food giant, Parmalat Finanziara and WorldCom, an American telecommunications company, among other massive outrages globally.

Press coverage of the budgetary misrepresentation at the above three companies resulted in the collapse of all the three referenced companies and their executives charged and indicted. Enron's founder and former CEO Kenneth Lay, CEO Jeffrey Skilling and CFO Andrew Fastow were accused and indicted for conspiracy, insider trading, and securities fraud; Former WorldCom CEO Bernard Ebber was imprisoned for 25 years, while the company's previous CFO Scott Sullivan was sentenced to five years in jail; Founder, chairman, and CEO Calisto Tanzi was additionally accused of extortion and imprisoned.⁶⁸

Firms can be compelled to change their corporate governance policies because of the media coverage they get.⁶⁹

Revealing and exposing corruption, fraud or any inappropriate actions of firms and their managers by journalists, the resultant reputational harm from negative press, encourage both managers and firms to act above-board.

Media make corporates seem more legitimate by making evaluative decisions which affects firms. The more positive coverage, the better the results for organisations. For example, if an organisation gets significantly more positive coverage, they would enjoy more positive IPO results.⁷⁰ Research has shown that positive media coverage increases an organisation's financial performance.⁷¹

⁶⁸ Dibra Rezart, Corporate Governance Failure: The Case of Enron and Parmalat (European Scientific Journal, vol. 12(16), 2016).

⁶⁹ Dyck A., Volchkova N. & Zingales L., The Corporate Governance Role of the Media: Evidence from Russia (The Journal of Finance, 2008)

⁷⁰ Pollock T. G., & Rondova V. P., Media Legitimation Effects in the Market for Initial Public Offerings (Academy of Management Journal, 2003).

⁷¹ Deephouse D. L., Media Reputation as a Strategic Resource: An Integration of Mass Communication and Resource-based Theories (Journal of Management, 2000).

Organisations respond to media coverage in unexpected ways. It can prompt a change of senior management, change of Board of Directors, shift in the overall company strategy, financial performance among others. Regularly, bad press harms the image of an organisation and sometimes leads to reputational damage to executives embroiled in inappropriate actions.⁷²

3.3. Barriers to media's watchdog role

Media and journalists in general face several challenges with regards to making MNCs and their executives answerable. As a general rule, absence of free press, corruption, organisation's interests and psychological inclinations by journalists among other reasons undermine the media's watchdog role.

Media companies have their own interests which they endeavour to accomplish, and this could now and again contradict with the editorial side of the business. Some of the time, media proprietors are likewise aligned to specific companies or leaders in certain companies making it extremely difficult to publish what may be considered damaging to such organisations. Media ownership incredibly influences newspaper and television news content subsequently compromising a media outlets' objectivity. For instance, Jeff Bezos, who is the Founder and CEO of Amazon also owns The Washington Post. In 2015, it published an article, "*Is it really that hard to work at Amazon?*" which was meant to counter a previous article that criticised some alleged harsh management practices at Amazon published by Times.⁷³

Additionally, there is empirical evidence proposing a predisposition in both newspapers and television as a result of advertising.⁷⁴ These incidences are undeniably on the rise, where a few

⁷² Bednar K., Love E. G. & Kraatz M., Paying the Price? The Impact of Controversial Governance Practices on Managerial Reputation (Academy of Management Journal, 2015).

⁷³ Bednar K., The Role of Media in Corporate Governance (Oxford Research Encyclopedia of Business and Management, 2017).

⁷⁴ C. Soley, Lawrence & L. Craig, Robert, Advertising Pressures on Newspapers: A survey (Journal of Advertising, vol.21, 2013) pp.1-10.

corporations can strong-arm a media house by using their economic muscle to control and censor news content. Media intensely depend on advertising for their revenues and subsequently cautious not to bite the hand that feeds them. Additionally, Advertising expenditure by organisations in local media outlets leads to far less of what would be considered harmful content.⁷⁵

Investigative Journalism is the essence of media's watchdog role. According to UNESCO's definition of Investigative Journalism, it is the revealing, analysis and exposure of information that is concealed purposefully by a person who is in authority or sometimes it may be hidden by accident under a pile of information and facts to the general public.⁷⁶ Some of the difficulties investigative journalist face in Africa include lack of capacity since it is resource intensive, lack of protection for journalists, lack of or limited media freedom among others. In 2000, Mozambique's investigative journalist Carlos Cardoso was executed while probing the US\$14 million banking scandal purportedly linked to President Joaquim Chissano's son.⁷⁷

Moreover, there are times when journalists are scared and threatened into not publishing their stories. An eminent investigative reporter in one of Kenya's biggest media companies described to me how a story he was following nearly landed him in big trouble. Amazingly, he walked into an interview location with two things were set on the table, a heap of money and a firearm, and he was asked to pick one. He conceded bribery from individuals and companies occurs frequently. He pointed out the only way to build credibility as a journalist is to turn down that bribe, however, this is not always the case as there are journalist have fallen for the snare.

⁷⁵ Gurun U. G. & Butler A. W. Don't Believe the Hype: Local Media Slant, Local Advertising and Firm Value (The Journal of Finance, 2012).

⁷⁶ <https://unesco.go.ke/programme/investigative-journalism/>

⁷⁷ Ntibinyane Ntibinyane, Investigative Journalism in Africa: An Exploratory Study of Non-Profit Investigative Journalism Organizations in Africa, (Reuters Institute Fellowship Paper, University of Oxford, 2018).

4.0. CHAPTER FOUR

ROLE OF MEDIA IN PROMOTING GOOD BUSINESS PRACTICES AMONG MNCS IN KENYA

4.1. Business Environment in Kenya

As indicated by the World Bank, Kenya's active and dynamic private sector, its improved infrastructure and skilled workforce are among the reasons why it has the potential of being regarded to as Africa's success story.

Notwithstanding the various challenges the country faces including perennial drought, internal and external economic shocks for example the 2008 global downturn and the 2007-08 Post-Election Violence, Kenya has pulled itself up and is now considered as one of the fastest growing economies in Sub-Saharan Africa. The World Bank projects a 5.8 per cent in 2019 Gross Domestic Product growth (GDP) and 6 per cent in 2020.

The Government has made tremendous strides of late to improve the business situation in the country including introduction of new laws, for example, the Companies Act, Insolvency Act, Special Economic Zones Act, and the Business Registration Service as well as revisions of existing ones such as the Companies Insolvency Legislation (Consequential Amendments) Act 2015 and Finance Act amendments 2015.

In the last five years, Kenya has improved its position in the World Bank's Ease of Doing Business Report, by a total of 15.3 points. It has moved 75 positions since. Its position improved by 19 spots from position 80 to 61 in the 2018 Report. This improvement was credited to among others, reforms on access to credit, resolving insolvency and protection of those considered minority investors.

It currently takes a day to start a business in Kenya with only three stages as opposed to 23 days and seven stages in preceding years. It additionally takes 15 days to acquire a construction license compared to 160 days in earlier years. Other different changes that have prompted improved business conditions include access to electricity and making trade across borders easy by reducing the time take to get the necessary approvals, permits, etc.

4.2. The Role of Media in Corporate Governance in International Business

Most news programmes in Kenya have a business news segment for instance *Business Defined* on KBC, *Business Today* on KTN News, *NTV Business* among others. Additionally, there are Business TV shows such as *Trading Bell* on KTN News. The equivalent is reflected in our local dailies and magazines. These business segments look at the status of business in Kenya and compares with what is happening worldwide, while simultaneously endeavour to provide information on international economic issues, capital markets, money markets and international trade. Information that is considered valuable by existing and potential investors.⁷⁸

Along these lines, mass media assumes a basic role in disseminating information on business, financial matters and trade. It is this data that helps organisations and their executives to settle on better decisions and give them a greater comprehension of the environment they operate in. Media is additionally key in cultivating good relations among governments and the private sector and in this way advancing Public-Private Partnerships.

A 2009 World Bank report credited fruitless and unattainable advancement efforts in developing markets at the time, including Nigeria, to inadequate role which the news sources

⁷⁸ Hornick Robert C., *Development Communication* (New York: Longman, 2008).

were relegated to play. It is consequently vital that news media should be more analytical, proactive, and critical of strategic development activities that may hinder attempts at raising public awareness.⁷⁹

Media assumes a significant monitoring role that influences corporate governance. Dyck, Volchkova, and Zingales demonstrated that corporate governance infringement by Russian companies from 1999 to 2002 were bound to be reversed, in the event that they got the attention of international newspapers including the likes of the Wall Street Journal and the Financial Times.⁸⁰

In previous chapters, we have seen that media can impact change. Indeed, it's not just strategic or management change but it can also impact behavioural change of an organisation and ideally the entire business environment.

MNCs sees media as an instrument to reach consumers, a chance to showcase themselves and their products. It is additionally a platform for firms to get information important to them as well as stage for MNCs to interact and share insights. Global businesses circulate their messages to consumers by either sending official statements, fact sheets, media visits and press conferences- questions and answer sessions with journalists. Advertorials is additionally another method of reaching customers. This likewise helps MNCs in building greater relations with journalists which then they can use in future to manage risks, issues or crises affecting their business.

A report, *'Lessons Learnt From Supporting Mass Media To Improve The Business Environment,'* which draws from the encounters of International Labour Organisation

⁷⁹ Okoro E., The Media Development Communication and Governance in Nigeria: The Press for National Integration (International Journal of Academic Research in Business and Social Sciences, 2013).

⁸⁰ Alexander Dyck, Natalya Volchkova & Luigi Zingales, The Corporate Governance Role of the Media: Evidence from Russia (Journal of Finance, vol. 63(3), 2008), pp.1093-1135.

demonstrates that there are different methodologies both long-term and short-term that can be utilized to improve the general business conditions.⁸¹ They incorporate media buying and some long-term activities, for example, joining forces with media organisations to support initiatives such as capacity building and roping in third parties. Effective mass media interventions are able to be replicated and scaled up.

Similarly, news coverage and specifically business news can help improve the current policies, enactments and regulatory environment for businesses. It can also prompt advancement of new ones.

Olming contends that building up the media business encourages the improvement of the business environment taking note that it assumes a role in inducing reforms as media are significant agents of social and economic change.⁸²

Nonetheless, there are cases where some news reports are obstacles to foreign investments. Sensational headlines and lead stories on corruption which paint a bad picture on the country and its leaders, articles or stories on instability scare away potential investors and consequently a negative effect on investments. Such news stories could result into retrogressive production and services.⁸³

⁸¹ Olming K. & MacFarquhar N., *Lessons Learnt from Supporting Mass Media to Improve the Business Environment* (Geneva: ILO, 2007).

⁸² Olming K. & MacFarquhar N., *Lessons Learnt from Supporting Mass Media to Improve the Business Environment* (Geneva: ILO, 2007).

⁸³ Ngare Marion, *Role of Media in Publicising Kenya Vision 2030: A Case Study of the First Phase Flagship Projects* (Master's Research Project, University of Nairobi, 2017).

5.0. CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

This last chapter highlights the findings, conclusions drawn, and the recommendations made.

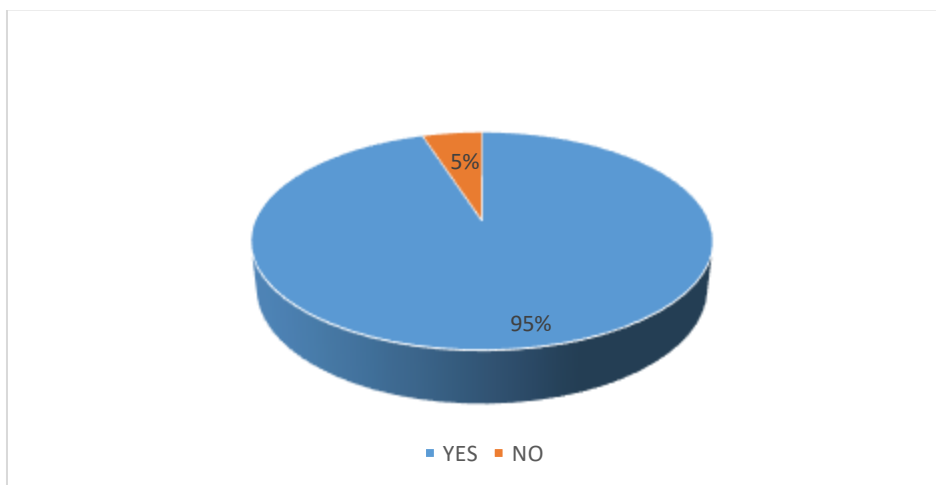
5.2. Summary of Findings

Media is a public force. It can help us know why firms behave in certain ways as well as showcase their innovations. From the MNCs sampled, media plays a critical role in their day-to-day activities. About 95 per cent agreed that local media content does have an influence on their activities. The sampled MNCs pointed out that media helps them connect with potential consumers of their products and services as well as penetrate new markets. Additionally, press coverage tends to influence their actions, too, in terms of decisions they make.

“Any story featured with regards to the economy and industry influences our reaction as a Multinational.”

However, the 5 per cent who argued to the contrary pointed out that MNCs’ business activities are often driven more by their regional strategy which flows from their global strategy arguing that MNCs are often shapers of local media content and not the other way around.

Figure 2: Influence of local media content on MNC activities



The responses revealed that local media content helps drive consideration and conversions because it allows MNCs to connect the different public and build brand trust/love. It further showed that media is very helpful to MNCs as it offers insights into what is happening in different sectors of the economy and for a multinational company operating in the country to fit in and respond to a local need, then they need to align their operations with what is happening in the country.

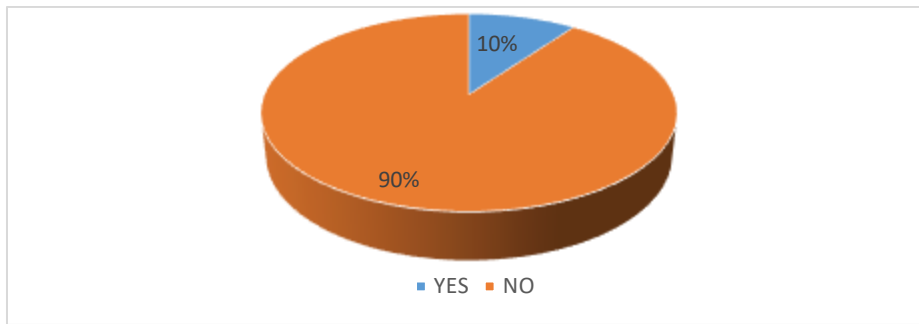
The research revealed some published news stories are not factual; they are considered hearsay, and this greatly affects the performance of a company, more so on the stock market. The media was also faulted for being biased towards certain corporations.

Nonetheless, what came out clearly was that even though media is considered as a key influencer, MNCs ought to evaluate what is appearing in the media about their brands and which media outlets to associate their brands with especially since most public take media content as the gospel truth. The media outlet and programming need to align with the MNCs' brand ideals.

Additionally, the survey showed that the marketing strategy of MNCs was most likely to be influenced by media coverage as opposed other MNC activities. CSR activities are the least to be affected by press coverage.

However, despite the influence that media has on MNCs, it falls short in holding corporations and their executives accountable. From the survey, 90 per cent think that the media does not effectively evaluate MNCs and their executives and only 10 per cent think they do.

Figure 3: Media’s evaluation role on MNCs and their executives



The respondents pointed out that the media and journalists often portray their version of the story and do not show two sides of the coin. The media appears to be just an informer and a channel of disseminating information. It rarely interrogates issues deeper. For example, companies listed in Nairobi’s Stock Exchange are mandated to announce their financial results, journalists just report these results as is. They rarely do the analysis and question the results. This might be attributed to lack of in-depth knowledge in financial reporting. Further to that, local media doesn’t engage the subjects fully to understand the business dynamics around corporation.

Additionally, it is critical to note that many MNCs in the country are not listed in the stock exchange, and thus this makes it very hard to get information and data. Executives of public listed companies generally get more media coverage than those of privately-owned companies. This is for the obvious reason that public companies are required to publish their books and hence attract more public attention. The media is also more likely to focus on an executive who has the task of turning around an ailing corporation or one who has a strong public profile outside the corporation they represent – either they have a footprint in the political world, are affiliated to a prominent person or a prominent family.

What came out from the research was that how the media has evaluated corporations and their executives is not exhaustive and this is especially because visibility of corporates and their

executives depends on how aggressive they are with their PR campaigns on ensuring their brand and their executives are visible to not only the media but also their key target audiences.

Media's role in corporate governance is driven by investigative journalism. Despite the potential media has in contributing to corporate governance, several challenges limit its effectiveness. For instance, media companies have their own objectives and interests that they aim to accomplish and therefore, media practitioners frequently capitulate to certain biases which limit their capability to efficiently and effectively hold organisations and their leaders accountable.

Bribery and intimidation were ranked highest among the challenges media face when reporting on issues to do with MNCs. While regulation was ranked as the least challenge likely to be faced by journalists.

Figure 4: Challenges journalists face when reporting on MNCs

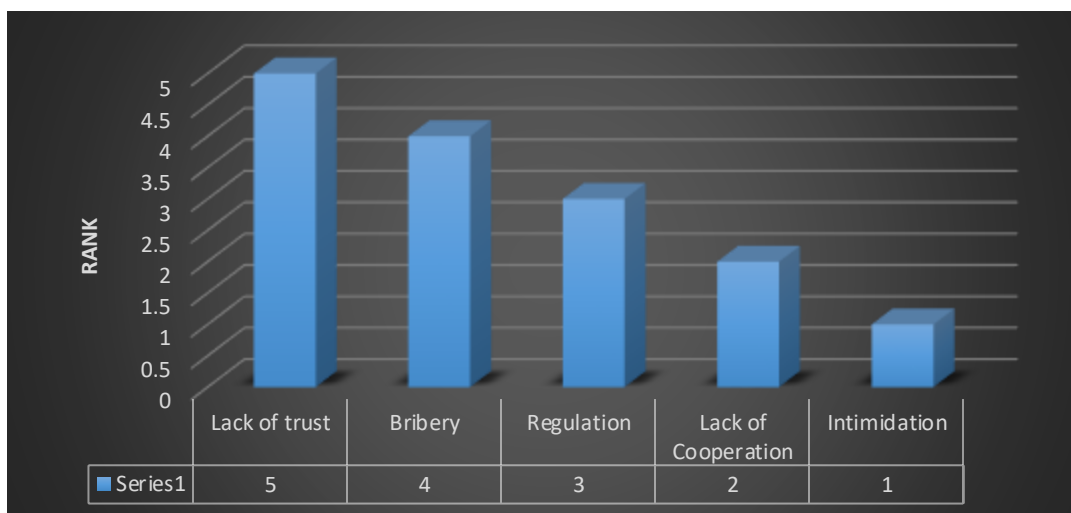


Figure 5: MNC activities most influenced by media coverage

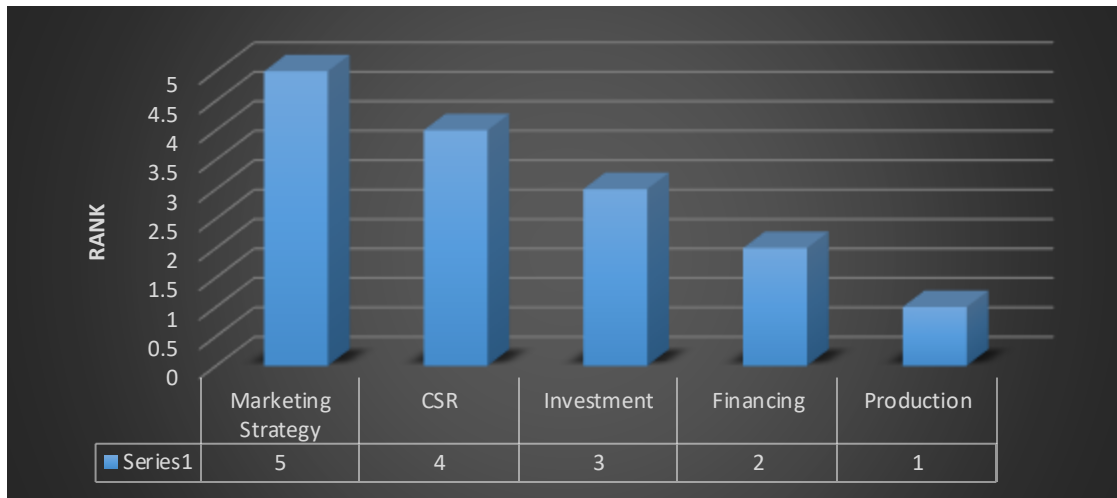
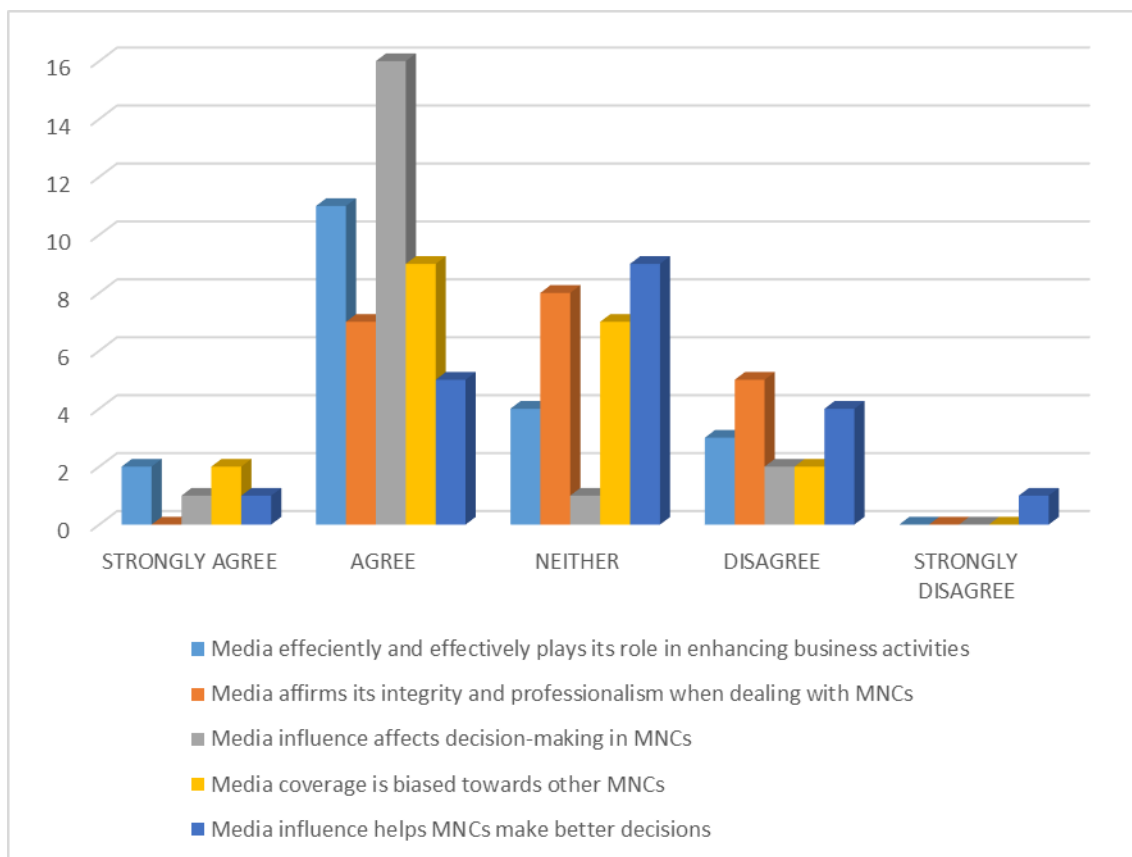


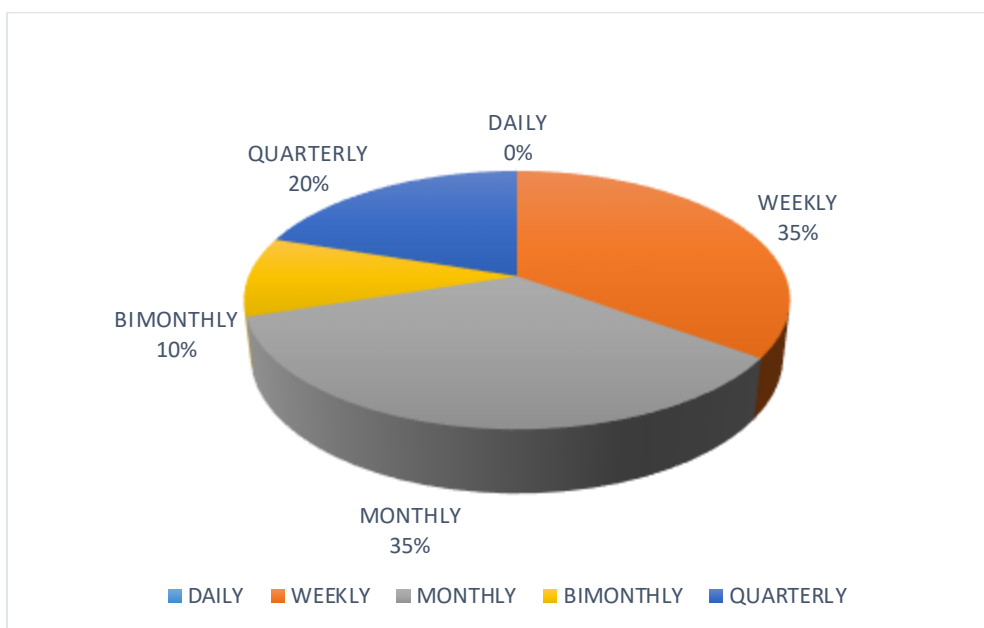
Figure 6: Media influence on various MNC activities



In Kenya, most corporations do not deal with media houses directly but through media buying or planning agencies like Saracen OMD, WPP-Scangroup, Gina Din Group, IMG Kenya and Oxygène Marketing Communications Limited among other agencies.

MNCs rarely engage journalists but when they do, they use such interactions to build relationships that may come in handy later. The research showed that MNCs engage media, more specifically traditional media, mostly on a monthly or a quarterly basis. It revealed that 35 per cent of MNCs have interactions with media monthly and none daily as per the below chart.

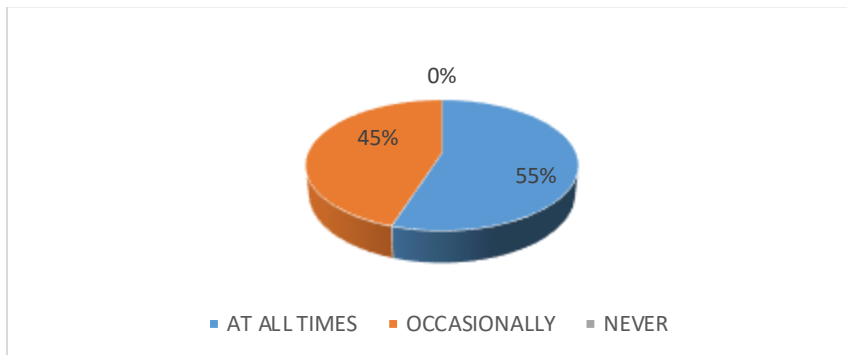
Figure 7: Frequency of MNCs engagement with the media



But, MNCs must be very strategic when interacting with media either at a press conference, events such as product launches and even during interviews. There are instances when some activities of MNCs create a lot of media attention especially in instances of poor performance, environmental and health concerns, fraud among others. Journalists interviewed during the survey argue that MNCs should respond as soon as the inquiry comes through because according to them, this shows they have nothing to hide and increases their credibility. Some

MNCs would agree with this as according to them, a situation explained in business is better than a situation ignored.

Figure 8: Responding to media scrutiny



However, there are MNCs that are of a different view. Research revealed that MNCs' response would depend on the intent of the scrutiny. Others pointed out that they would only respond to media scrutiny when the said media scrutiny risks significantly hurting the reputation of a corporation. Some respondents noted that if the scrutiny is not based on sound information on research, they may be no need to make a response. Rather, they would respond to occasions where the said scrutiny seeks to shed light on various aspects of the organization, industry or is for the public good.

There are occasions where intense media scrutiny breeds antagonistic vibe and the lack of a sufficient reaction can escalate the situation even further. The right media approach in a crisis makes all the difference between a destroyed and a preserved reputation. Research showed that the key is to know what to say and how to say it to protect your organisation's reputation as well as a possible future lawsuit.

Sometimes, if media scrutiny is ignored there is a risk of incorrect information being published leading to a crisis for a corporation. Research revealed several key factors that would determine whether you respond to media scrutiny. They are include responding if you have sufficient

facts to set the record straight; are the key internal and external stakeholders aligned with the position taken and would, if the situation calls for it, be able to defend that position either expressly or implicitly; the severity of the issue and whether it is likely to cool off as the news cycle evolves; whether public denial of wrongdoing will lead to more media scrutiny in a situation where discretion presents the best route of handling the matter; where there is gross misrepresentation of facts, potential libel or malice; when responding to the media is the best way to protect your consumers, brand and business; when your lawyers advise you to respond directly to media scrutiny.

5.3. Conclusion

The operating environment of MNC is largely informed or reliant on local media content. For example, any advertising decisions for products and services is driven by the local content that in turn influences the target markets for the various media outlets.

From the study it is evident that even amidst of the social media craze and the rising presence of foreign media, the local traditional media in Kenya plays a key role defining national priorities including the economic agenda. The Kenyan media has over the years emerged as one of the most trusted institutions in the country in multiple national surveys.

It is also important to note that media possesses a unique power to shape the public's perception of MNCs. However, its content can influence activities of MNCs both positively and negatively. The media can help create these win-win situations, while still staying true to its mission of informing the public and driving constructive debate. Positive content highlighting economic, social and environmental benefits of MNCs across extended value chains in the country, attracts foreign investors and it also influences policymakers to push for social and economic policies leading to a better operating environment for MNCs. This could also

influence MNCs to commit more capital into long-term projects, allowing them to grow and hire more people while creating indirect jobs in adjacent sectors.

On the other hand, negative press coverage of MNCs and what the respondents referred to as the focus on political rhetoric rather than underlying issues in most media organisations, while beneficial for media houses in the short-term, it could have a negative effect on activities of MNCs. Bad press on the happenings in the country could make potential foreign investors shy away from Kenya. Additionally, negative press coverage of MNCs often leads to reputational damage which affects the business negatively and may on occasion make them to wind up operations. There is therefore need for proper guidance and stakeholder consultation at an editorial level.

Coverage on corporations in Kenya is still heavily skewed towards financial performance metrics such as revenue and earnings. Capital investments in new projects is also likely to make it to the headlines. While these are critical in telling the story of a corporation and the broader economy, they are not enough when isolated from other facts. First, some corporations are privately owned and, as such, do not publish their books. This does not mean that they lack stories to tell—they often have a lot of valuable information about the technologies they use, the impact of their work across their value chains and their suggestions on how to improve the markets they operate in. Second, a host of other issues affect corporate performance, key among them being policies and regulations. Reporting on corporates without assessing the policy and regulatory environment they operate in does not give a full picture. However, media sometimes doesn't give policy and regulatory issues the weight they deserve in their stories about corporations.

5.4. Recommendations

From the study, it is clear there is need for effective and efficient interventions to use mass media to improve the business environment. Media companies should have the adequate capacity and facilities to gather and analyse information if it were to play its accountability role more effectively.

Corporations should have robust policies to guide when to respond to media scrutiny, who should respond and how they should respond. They should also proactively map out issues likely to affect them, rank them according to severity and prepare potential responses to help spokespeople and senior management prepare for such cases.

5.5. Suggestions for further studies

Due to limitations of time and finances, the study used a sample size of 20 MNCs in the country. The study recommends future studies on the subject using a higher sample size to increase credibility and reliability of the data obtained herein.

Further to that and noting that this study proves that media coverage influences MNC activities, there is therefore need to investigate how media coverage impacts these companies.

In this era of digital revolution and the rise of audience shift from traditional to social media platforms, there is need to interrogate the effects of social media on MNCs.

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APPENDIX 1: INTERVIEW GUIDE

1. Does media have an impact in the flow of FDIs in Kenya?
2. Does local media content influence how Multinational Corporations operate in Kenya?
3. Do you think the media is effectively playing its role in enhancing business activities of MNCs in Kenya?
4. Does the power of the media and the resulting influence affect decision-making in corporations?
5. Is Kenyan media holding MNCs to account?
6. Do you think journalists affirm their integrity and maintain professionalism when dealing with MNCs?
7. At what point do you think it is okay to respond to media scrutiny?
8. Is the perception of media from local and foreign MNCs the same or do they differ?
9. Moving forward, what can MNCs do differently to ensure the media does not negatively influence them?

APPENDIX 2: QUESTIONNAIRE

Research Questionnaire for Primary Data Collection

My name is **Abigael Chelimo Sum**, a Master of Arts in International Relations candidate at the University of Nairobi. I am conducting a study on, “**The effect of media activities on Multinational Corporations in Kenya**”, which is a partial fulfilment of the requirement to qualify for completion of the master’s degree and graduation. It is in this regard that I am requesting for your participation by filling this questionnaire.

Participation in the study is voluntary and you may withdraw at any time without any consequences.

This questionnaire has three segments that should take a few minutes to complete. This activity is for research purposes only and all data gathered from respondents will be guarded with utmost discretion.

Thank you and I most appreciate your support.

SECTION A: BASIC INFORMATION

1. Please indicate your gender:

Male () Female ()

1. Please indicate your age bracket

	Mark X
Below 25 years	
26 -35 years	
36 -45 years	
46 -55 years	
Above 55	

3. Indicate your current position/job category as listed below.

	Mark X
Editors or journalists	
Communication specialist/PR Practitioner	
Management	
Senior management	
Academia	

SECTION B: (please check (x) in the box which best depicts your answer)

1. Does local media content influence activities of the MNCs?

Yes () No ()

Explain and give examples

2. Does media efficiently evaluate corporations and their executives?

Yes () No ()

Explain

3. At what point is it good to respond to media scrutiny?

a. At all times ()

b. Occasionally ()

c. Never ()

Explain

4. How often does the MNCs engage with journalists and media?

a). Daily ()

b). Weekly ()

c). Monthly ()

d). Bimonthly ()

e). Quarterly ()

SECTION C:

1. Rate the following statements that relate to your organization as indicated in the table below.

	Strongly agree	Agree	Neither	Disagree	Strongly disagree
i. The media efficiently and effectively plays its role in enhancing business activities of MNCs.					
ii. Kenyan media affirms its integrity and maintain its professionalism in its role with regards to dealing with MNCs.					

iii. The influence resulting from Media attention affects decision making in an MNC.					
ii. The media is biased as there are other MNCs that receive more press coverage than others.					
iv. Media influence helps MNCs make better decisions.					

2. In a scale of 1-5 with **5 being the highest** and **1 as lowest**, how would rate the below listed challenges that journalists face when reporting on MNCs?

- a) Bribery ()
- b) Intimidation ()
- c) Regulation ()
- d) Lack of cooperation ()
- e) Lack of trust ()

3. In a scale of 1-5 with **5 being the highest** and **1 as lowest**, which of the below activities of MNCs does media influence the most?

- a). Production and distribution ()
- b). Marketing strategy ()
- c). Investment ()
- d). Financing ()
- d). CSR activities ()

APPENDIX 3: LETTER OF INTRODUCTION FROM THE UNIVERSITY



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June 24, 2019

TO WHOM IT MAY CONCERN

RE: ABIGAELE CHELIMO SUM – R50/7622/2017

This is to confirm that the above-mentioned person is a bona fide student at the Institute of Diplomacy and International Studies (IDIS), University of Nairobi pursuing a **Master of Arts Degree in International Studies**. She is working on a research project titled, **"An Evaluation of the Effects of Media Activities on Multinational Corporations in Kenya"**.

The research project is a requirement for students undertaking Masters programmes at the University of Nairobi, whose results will inform policy and learning.

Any assistance given to her to facilitate data collection for her research project will be highly appreciated.

Thank you in advance for your consideration.



Professor Martha Nzambi
Director, IDIS
International Relations and Governance

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013

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